



State of California

Employment Training Panel

Arnold Schwarzenegger, Governor

October 3, 2008

Daniel Krombach
Vice President, Finance
Standard Homeopathic Company
154 West 131st Street
Los Angeles, CA 90061

Dear Mr. Krombach:

RE: FINAL MONITORING VISIT REPORT for Standard Homeopathic Company – ET06-0259

Date of the Visit:	09/24/08
Beginning/Ending Time:	1:00 p.m. – 4:15 p.m.
Date of Last Visit:	11/06/07
Visit Location:	Los Angeles
Persons in attendance:	Daniel Krombach, Standard Homeopathic Company Valerie MacLean, Standard Homeopathic Company Mark Reeves, ETP Analyst
Action Required:	Refer to Fiscal Unit – re: Attendance Rosters (see pages 3 & 4)

CONTRACT INFORMATION:

Term of Agreement:	06/30/06 – 06/29/08	Agreement Amount:	\$140,000
Training Start Date:	07/26/06	No. to Retain:	70
Date Training must be Completed:	03/31/08	Range of Hours:	24 - 150
Type of Trainee:	Retrainee	Weighted Ave. Hours:	100

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5353 Mission Center Road, Suite 110
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FINAL REPORT SUMMARY:

• HISTORY OF AGREEMENT CHANGES

Training began on July 26, 2006 and project staff confirmed that all training for this Agreement was completed by December 20, 2007, which allows for the 90-day retention period prior to the contract term end date of June 29, 2008.

Agreement Amendment Number 1 was executed on October 25, 2006 to change the contract term date from 03/31/06 – 03/30/08 to 06/30/06 – 06/29/08.

• INTERVIEW WITH THE SIGNATORY

Based on your company's lower than expected completion rate, Mr. Reeves inquired regarding the barriers that precluded Standard Homeopathic Company from performing better on this Agreement. You explained that fluctuations in business activity hampered the company's ability to deliver training on a consistent basis throughout the contract term.

Your records show that all trainees received well below the weighted average (100 hours) for this Agreement. In fact, only one trainee reached 50 hours of class/lab training. Ms. MacLean reported that scheduling training was a major challenge for project staff. During a previous monitoring visit, you explained that your company's production schedule only allows for periodic five to six-week windows of opportunity for training throughout the year.

You and Ms. MacLean reported that your administrative subcontractor, William Sacks, was primarily responsible for maintaining the online data. You did not report any significant record keeping problems during the administration of this Agreement and did not recommend any necessary changes to improve the process. You informed Mr. Reeves that Standard Homeopathic Company will be assessing its training objectives in conjunction with business demands to evaluate the possibility of seeking additional ETP funding in the near future.

Breakdown and discussion of expected earnings:

According to your records, you retained 12 trainees in this Agreement. The ETP Class/Lab Tracking System shows that 12 trainees completed the minimum required 24 hours of training, for a cumulative total of 395 hours. You confirmed that your final closeout invoice has been submitted. This project currently shows "Closed" status and your total earnings stand at \$7,908, or approximately 6% of the Agreement total.

Please see additional findings below (Attendance Rosters), which may result in an adjustment to your final earnings.

PROJECT STATUS PROVIDED BY THE CONTRACTOR:

Trainees Enrolled:	78	Completed Training:	12
Trainees Started Training:	71	In Retention Period:	12
Dropped Following Enrollment:	0	Completed Retention:	12
Completed Minimum Hours for Reimbursement:	12		

ATTENDANCE ROSTERS:

Mr. Reeves reviewed class/lab rosters for all 12 trainees that completed training. The review period covered July 26, 2006 through December 4, 2007. During records review, Mr. Reeves discovered that seven of the 12 trainees received credit for two classes that were ineligible for reimbursement. The following chart shows a breakdown of the ineligible training hours recorded in the ETP Class/Lab Tracking System:

Trainee	Date	Class Name/Description	Hours Recorded Online
E. Baier	11/20/07	1:00pm – 3:00pm Performance Review Training – Training for supervisors and above on how to conduct effective performance appraisals.	2 hours
E. Baier	12/04/07	12:30pm – 3:30pm Eliminating Sexual Harassment from Your Workplace – Define Sexual Harassment – SCH Harassment Policy	3 hours
E. Graham	11/16/07	10:00am – 12:00pm Performance Review Training – Training for supervisors and above on how to conduct effective performance appraisals.	2 hours
E. Graham	12/04/07	9:00am – 12:00pm Eliminating Sexual Harassment from Your Workplace – Define Sexual Harassment – SCH Harassment Policy	3 hours
K. Khan	11/14/07	10:00am – 12:00pm Performance Review Training – Training for supervisors and above on how to conduct effective performance appraisals.	2 hours
K. Khan	12/04/07	9:00am – 12:00pm Eliminating Sexual Harassment from Your Workplace – Define Sexual Harassment – SCH Harassment Policy	3 hours
C. Morales	11/16/07	10:00am – 12:00pm Performance Review Training – Training for supervisors and above on how to conduct effective performance appraisals.	2 hours
C. Morales	12/04/07	9:00am – 12:00pm Eliminating Sexual Harassment from Your Workplace – Define Sexual Harassment – SCH Harassment Policy	3 hours
J. Roberts	11/20/07	1:00pm – 3:00pm Performance Review Training – Training for supervisors and above on how to conduct effective performance appraisals.	2 hours
J. Roberts	12/04/07	9:00am – 12:00pm Eliminating Sexual Harassment from Your Workplace – Define Sexual Harassment – SCH Harassment Policy	3 hours
T. Shoda	11/14/07	10:00am – 12:00pm Performance Review Training – Training for supervisors and above on how to conduct effective performance appraisals.	2 hours
T. Shoda	12/04/07	9:00am – 12:00pm Eliminating Sexual Harassment from Your Workplace – Define Sexual Harassment – SCH Harassment Policy	3 hours
M. Sia	11/16/07	10:00am – 12:00pm Performance Review Training – Training for supervisors and above on how to conduct effective performance appraisals.	2 hours
M. Sia	12/04/07	9:00am – 12:00pm Eliminating Sexual Harassment from Your Workplace – Define Sexual Harassment – SCH Harassment Policy	3 hours

Class/Lab Content

ETP funds training that is directly related to trainees' job skills. As previously discussed with you and your staff, as well as your administrative subcontractor, ETP does not fund:

- Company-specific orientation designed to orient employees to the policies or philosophy of the employer. This includes developing company mission statements and values.
- Continuing education courses needed to maintain a license or periodic education required by regulatory agencies.
- Other courses including: labor laws and legal issues; labor/management relations; sexual harassment; stress management; violence in the workplace; self-improvement courses (creativity, building self image); employee relations; hiring, firing, and discipline; testing, examination, and evaluation courses; and keyboarding.
- General industrial safety

Conclusion

Based on ineligible class content for the trainees listed above, your ETP records include approximately **105** hours of ineligible training, which is equivalent to **\$2,100** (105 hours x \$20). Note: This figure includes all training hours for E. Graham, J. Roberts, and T. Shoda. By eliminating five hours of ineligible training from each of these three trainees, their respective training hour totals fall below the required 24 hour minimum, thus resulting in the disallowance of all training hours.

Based on the Analyst's findings, this information will be referred to ETP's Fiscal Unit for further examination, which may result in adjustments to your final earnings.

INVOICES:

During this meeting, Mr. Reeves validated training hours for trainees billed on placement Invoices 2 through 4.

AUDIT:

Standard Homeopathic Company will be notified in writing if this agreement is selected for an audit, conducted either at your site (field audit) or by telephone (desk audit or "review"). The Audit Notification and Audit Confirmation letters will be sent in advance to allow ample preparation time and will include a list of documents that will be examined by the auditor. To provide support of training, original training attendance documentation is required; photocopied records are not acceptable. Listed below are types of records typically requested during an ETP field audit:

- Training attendance records such as rosters, sign-in sheets, etc.
- Payroll records of individual trainees to verify wage and hours worked
- Personnel records regarding occupation and dates of employment
- Documentation of employer paid health benefits (if applicable)
- Cash receipts to verify receipt and accounting of ETP funds

RECORD RETENTION:

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

If you have any questions or comments regarding this report, please contact Mr. Reeves at (818) 755-3635 or by e-mail at sreeves@etp.ca.gov within ten (10) working days from the receipt of this report.

Sincerely,

Signature on file

Dolores Kendrick, Manager
North Hollywood Regional Office

Signature on file

S. Mark Reeves, Contract Analyst
North Hollywood Regional Office

cc: William Sacks, National Training Company (via e-mail)
David Guzman, Chief, Program Operations Division
Kulbir Mayall, Manager, Fiscal and Certification
Master File
Project File

Date report mailed to Contractor 10/10/08